

Exploring the Bridge to Second Careers for Thoroughbred Ex-Racehorses

A Survey by:



January 9, 2014



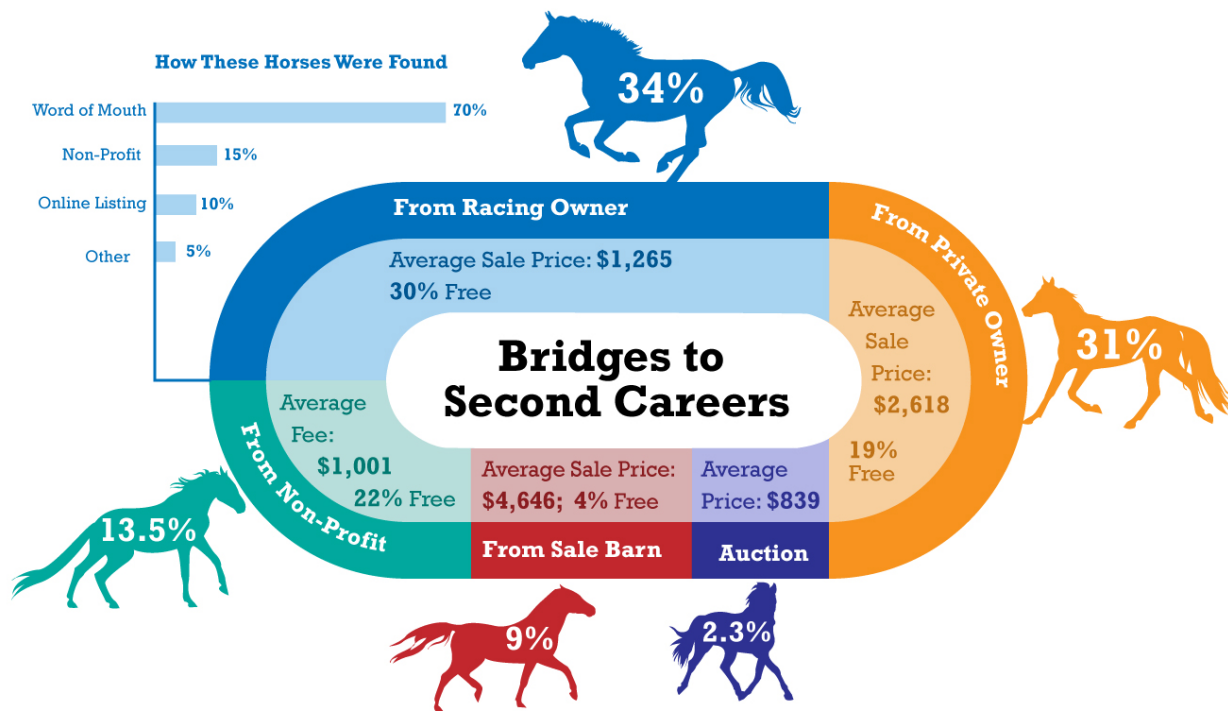
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Summary

A public perception exists that racing owners send their retiring horses to auctions and that a lucky few get rescued and adopted. *Exploring the Bridge to Second Careers*, a survey by Retired Racehorse Training Project (RRTP), tells a different story.

Most of the horses in this survey were not rescued. They were sold or donated through networks of people both inside and outside of racing who work hard on their behalf. The respondents reported that they have owned these horses for an average of five years, and that they ride them and compete them in many disciplines.

The survey was conducted online and asked twenty-three questions about ownership, the horses, and the sources from which they were acquired, including price and conditions of sale. Data came from 2,759 owners representing 4,200 horses from 47 states and Canada.



When asked how they acquired their ex-racehorse, 34% percent of respondents answered that it was directly from racing owners, making this the group most successful at placing horses. Thirty percent of these horses were given away. The other 70% were sold for an average price of \$1,265.

Owners who acquired horses directly from racing owners first heard about them through word of mouth 70% of the time, through nonprofit placement or referral organizations such as CANTER 15% of the time, and through other online horse listings 10% of the time.

The second most common source for horses was private non-racing owners at a close 31%. These horses sold for an average price of \$2,618, not including the 19% that were free.

Non-profit placement or rescue organizations accounted for 13.5% of the horses with an average adoption fee of \$1001, not including the 22% that were without a fee. When sorted chronologically the data showed growth for this group from 11% of transactions six or more years ago to 19% in the last year. These groups also distinguish themselves in the survey with a higher likelihood of including contracts that seek to protect the horses with right of first refusal and anti-slaughter clauses.

Professional training or sales businesses were the source for 9% of the horses, with an average sale price of \$4,646, not including the 4% given away. This higher sales figure undoubtedly reflects the increased value that comes with training.

Public auctions were the source for only 2.3% of the horses with an average price of \$839. Because many low-end auctions are a source for kill buyers, racing owners whose horses have run at tracks with no-slaughter policies have a strong incentive to avoid those auctions. Ex-racehorses do appear at those auctions but not in percentages higher than their share of the general horse population.

The story behind these numbers is that there are many bridges to second careers for Thoroughbred ex-racehorses. None have the capacity to transition all the horses, so major efforts must be made to serve and grow each of them.

Prices are depressed to a level at which there is little incentive to retire horses sound from racing and there is inadequate return on the investment needed to transition horses. The cause of this price decline is discussed at length in RRTP's 2011 paper, *Expanding The Market For Thoroughbred Ex-Racehorses*. Efforts to increase demand for these horses are essential as are subsidies to assist with the costs when the marketplace fails the horses.

Background

Retired Racehorse Training Project (RRTP) is a charitable organization created in 2010 to facilitate placement of Thoroughbred ex-racehorses in second careers by increasing demand for them and serving the farms, organizations, and individuals that transition them from racing.

RRTP's 2013 Thoroughbred Makeover and National Symposium at Pimlico was the first national gathering of the network that serves these horses after racing. It demonstrated to the public the breadth and depth of this important work while showcasing the talents and trainability of these horses.

In the coming year RRTP will compile and publish a state-by-state Resource Directory that will identify racetracks and their retirement programs, nonprofit placement organizations and their services, farms and trainers that specialize in transitioning Thoroughbred ex-racehorses, and general advice for buyers and sellers. Its purpose is to connect the people who are transitioning the horses. It will be distributed through race tracks and equestrian venues.

RRTP estimates based on American Horse Council's 2005 Economic Impact of the Horse Industry survey that 150,000 people own 690,000 Thoroughbreds in America outside of racing and breeding for racing. These people are the customers who ultimately control whether these horses have futures. Information about how they acquired their horses, what they paid, what they do with them, and who they are is an essential foundation from which RRTP and its allies must work. This survey is long overdue.

Methodology and Limitations

The online link to this survey was announced on November 21, 2013 with a notice on Facebook that reached 18,500 people. That was followed on November 29, 2013 by an email with the survey link to RRTP's 11,000-person list. It was closed on December 8, 2013. Like any survey that relies on social media and email for distribution the respondent group has some biases.

The survey instrument included twenty-eight questions with an option of reporting on as many as five horses. Most respondents included only one horse, but might well have owned others. Those that included multiple horses account for the fact that more horses than owners are included.

Constant Contact was the survey host. Responses were downloaded into database software to allow for correction of errors and analysis.

Some respondents did not respond to questions marked as required, but their responses to the remaining questions were included.

The geographic distribution was heaviest in the mid-Atlantic states, but the data from that part of the country was consistent in all categories from data elsewhere.

The Respondents

All of the respondents whose data was included answered yes to the first survey question, which was “Do you own one or more Thoroughbred ex-racehorses?”

Participation in Racing

15% have owned or bred Thoroughbred racehorses. 85% have not.

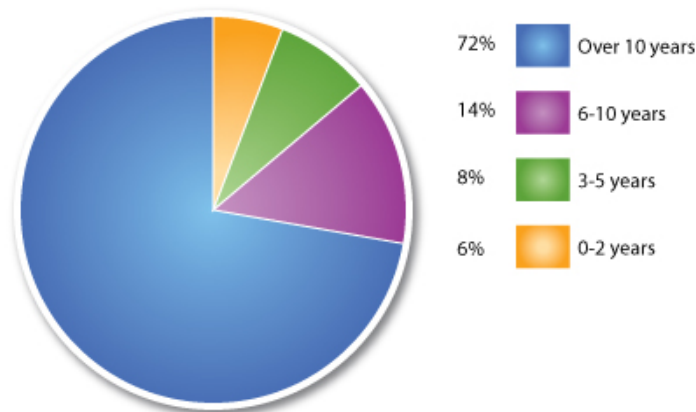
The horse world has become more fragmented and isolated over the years. Forty years ago we believe that more owners of racehorses would also have been owners of Thoroughbred riding horses. That there is still some overlap is a good sign. The fifteen percent can serve as ambassadors across the riding / racing divide.

Years of Horse Ownership

72% have owned horses for more than ten years, 86% for more than five years, and 94% for more than two years.

Some have worried that promoting Thoroughbred ex-racehorses for riding is encouraging inexperienced owners to acquire them who might lack the knowledge and skills to succeed. These statistics show that most owners are not new to horses.

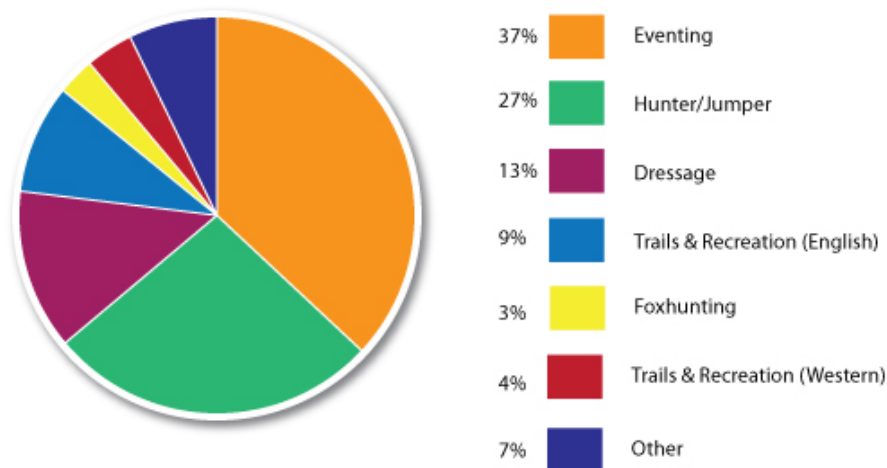
Years of Horse Ownership



Primary Riding Discipline

Primary riding discipline was listed as 37% eventing, 27% hunter/jumper, 13% dressage, 9% trails and recreation english, 3.8% foxhunting, 3.7% trails and recreation western. Additional categories below 2% were polo, barrel racing, ranchwork, and western pleasure.

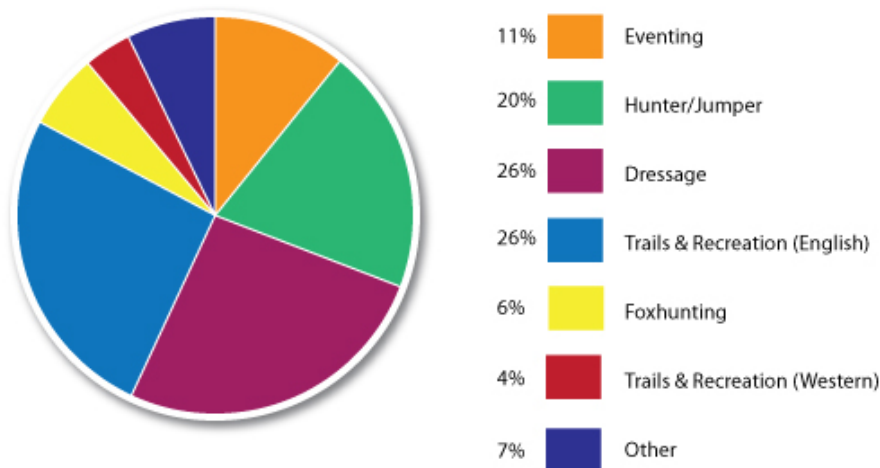
Primary Riding Discipline



Secondary Riding Discipline

Secondary riding discipline was listed as 26% dressage, 26% trails and recreation english, 20.4% hunter/jumper, 11% eventing, 5.6% foxhunting, 3.7% trails and recreation western. Additional categories below 2% were polo, barrel racing, ranch work, and western pleasure.

Secondary Riding Discipline



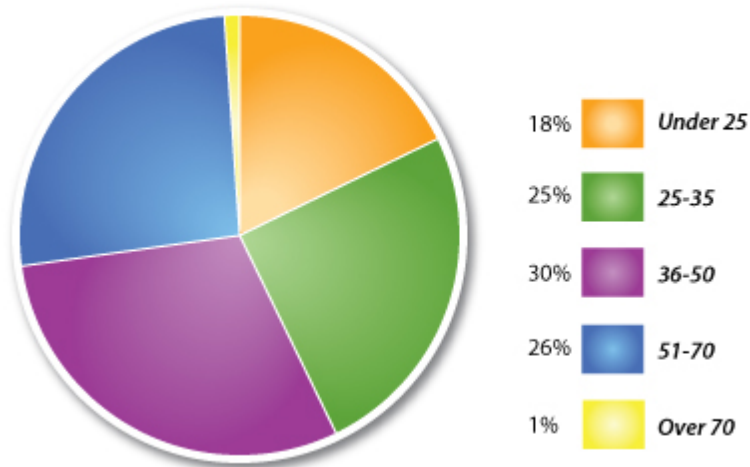
Amateur vs. Pro

80% list themselves as amateur riders, 16% as professionals, 1% don't ride and 3% were unsure.

Age

Respondent age ranges were 18% under 25, 25% 25-35, 30% 36-50, 26% 51-70, <1% over 70.

Respondent Age Ranges



Boarding

50% board their horses, 45% keep them on their own properties, and 5% responded "other."

Compete on Thoroughbreds

78% compete on Thoroughbreds. 22% do not.

Gender

Respondents were 95% female and 5% male.

Geographic Distribution

Of the respondents who provided contact information the breakdown by state was as follows: AL 10, AR 3, AZ 10, CA 64, CO 38, CT 16, DC 11, DE 13, FL 62, GA 36, IA 8, ID 11, IL 46, IN 33, KS 4, KY 56, LA 5, MA 34, MD 260, ME 14, MI 24, MN 41, MO 23, MS 3, MT 3, NC 53, ND 5, NE 4, NH 13, NJ 46, NM 6, NV 2, NY 93, OH 49, OK 8, OR 19, PA 141, RI 2, SC 24, SD 5, TN 21, TX 51, UT 10, VA 133, VT 15, WA 68, WI 27, WV 13, Canada 52.

The Horses

Respondents were allowed to enter as many as five horses. Most entered only one. We suspect that the length of the survey discouraged multiple entries. Our 2,749 respondents reported on 4,200 horses.

Age

*The average age range of horses was **10-12** years old.*

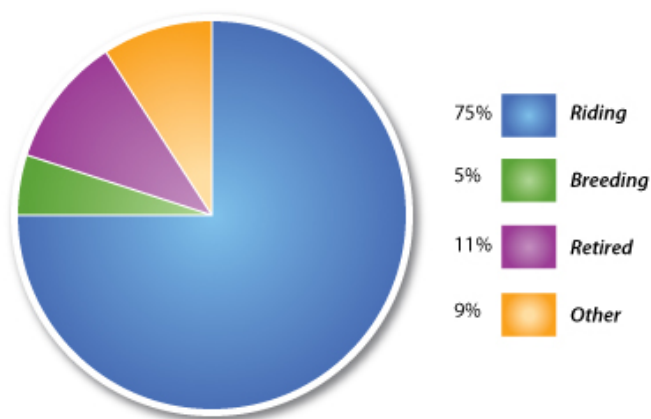
Length of Ownership

*Respondents reported having owned the horses for an average of **5** years.*

Use of Horses

***75%** of the horses are used for riding, **5%** for breeding, **11%** are retired, and **9%** are listed as "other."*

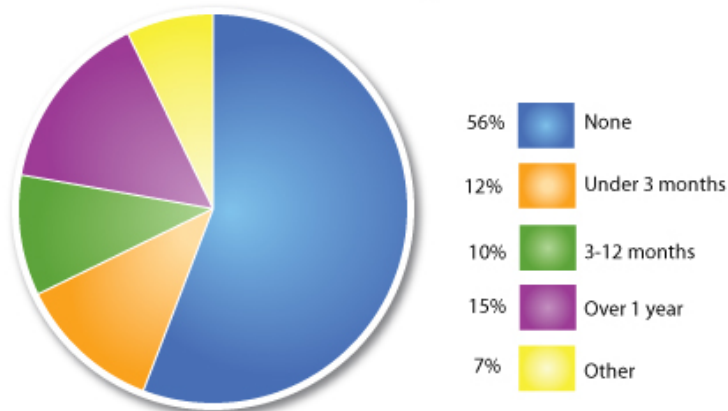
Horses are used for...



Second Career Training

***55.7%** of the horses had no second career training when acquired by respondents. **15.5%** had over one year, **9.7%** had 3-12 months, and **12%** had under 3 months.*

Second Career Training

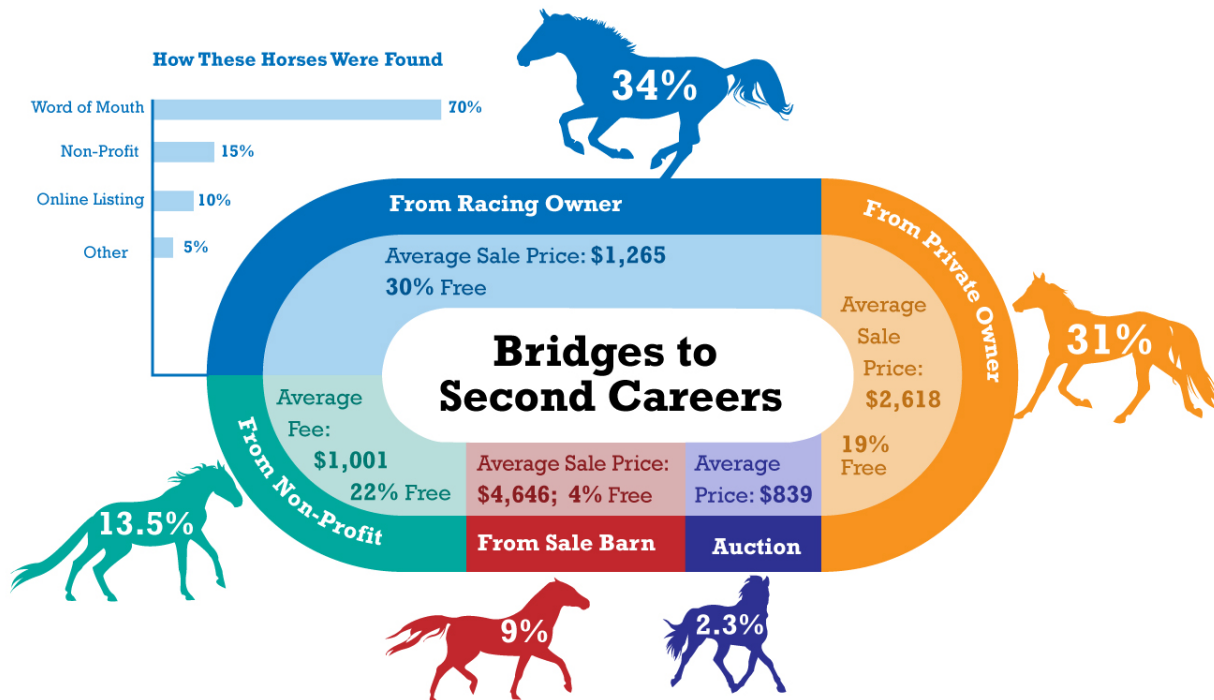


*Respondents put **37%** of horses into professional training at some point since acquiring them.*

The Bridge to Second Careers

Sources For Horses

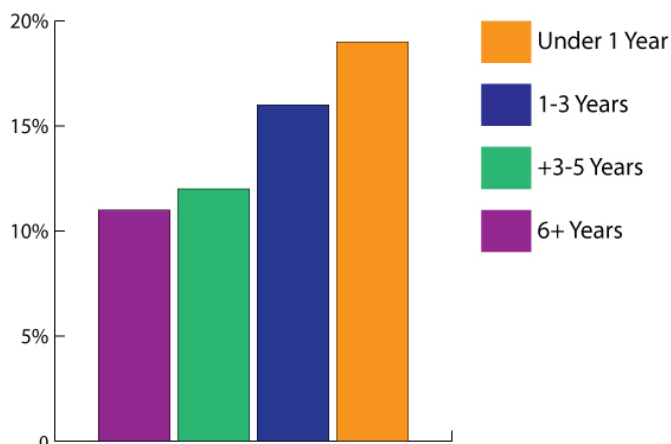
34% were acquired directly from racing owners, 31% from private post-racing owners, 13.5% from nonprofit placement or rescue organization, 9% from professional training or sales business, 2.3% from public auction, and 10.2% from "other."



Non-Profit Increase

Non-profit placement or rescue organizations were the source of 11% of horses acquired six or more years ago, 12% of horses acquired three to five years ago, 16% of horses acquired one to three years ago, and 19% of horses acquired in the last year.

Non-Profit Increase



First Introduction

Respondents first heard about the horse through word of mouth (60%), nonprofit placement or referral organization (16%), other online horse listings (20%), other (4%).

Purchase Price or Adoption Fee

Average purchase price or adoption fee was \$1,985. 31% were free. Average without free horses was \$2,894.

- Average price from racing owner was \$896. 30% were free. Average without free horses was \$1,265.
- Average adoption fee from nonprofit was \$861. 22% were free. Average without free horses was \$1,001.
- Average price from private owner was \$2,116. 19% were free. Average without free horses was \$2,618.
- Average price from professional training or sales business \$4,452. 4% were free. Average without free horses was \$4,646.
- Average price from public auction was \$839 (none were free)

Contract Restrictions

Adoption or sale contracts included the following restrictions.

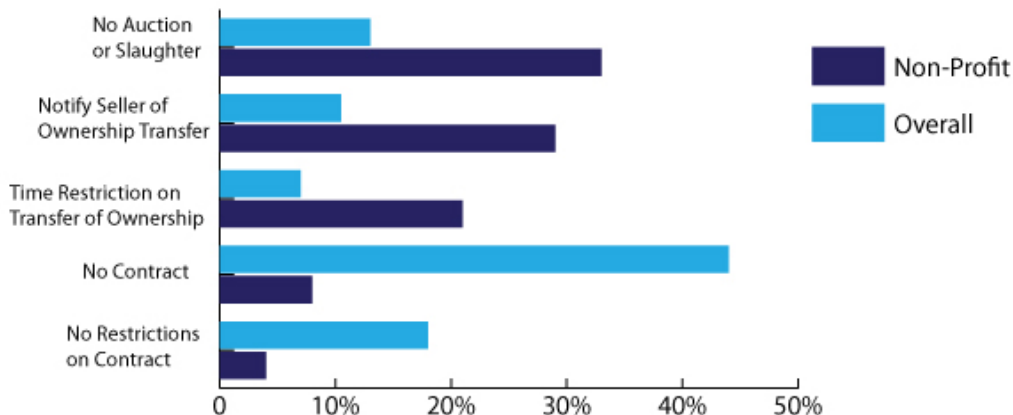
- Horse not to be sold at auction or slaughter (13% overall, 33% from nonprofits),
- Must notify seller of subsequent ownership transfer (10.5% overall, 29% from nonprofits),
- Restriction on transfer of ownership for a specified period (7%, 21% from nonprofits).

Additional responses included:

- Did not sign a contract (44%, 8% for nonprofits)
- Contract did not include restrictions (18%, 4% for nonprofits),
- Can not remember (2%, 2% for nonprofits),
- other (5%, 3% for nonprofits).

60% percent of horses acquired from nonprofit organizations had at least one of the above restrictions.

Sales Contract Restrictions



Conclusions and Plans

Serving the Bridges

Each of the bridges to second careers identified in this survey is essential. No single avenue has the capacity to serve all horses, and sellers and buyers need access to them all.

To facilitate the placement of more horses RRTP will expand its online databases of sources for horses and service providers, and publish a state-by-state printed Resource Directory that can hang from a string in every tack room on every backside of every racetrack in America.

RRTP will also host a second annual gathering of the farms, organizations, and individuals involved in this work at Pimlico on October 4 and 5, 2014.

Covering The Costs

The prices and adoption fees paid for the horses in this survey are lower than for horses of other breeds and too low to cover the cost of the rest and training that makes them marketable.

Subsidizing the transition process is an important part of the solution. Increasing demand through public education and promotion, however, has the potential to raise prices to a level that covers those costs, allowing more of the farms that have space for these horses to do this important work.

RRTP will expand its educational and promotional work in 2014 with a team of marketing professionals and the involvement of Thoroughbred advocates from racing, riding, and aftercare organizations.

Rewarding Sound Retirement

The prices paid for sound horses coming directly from the track is far less than the lowest claiming price and less than a month of training. The first step in placing more horses into productive second careers is to offer incentives to owners to retire horses from racing when they are still sound. Higher demand, higher prices, and better access to the riding market give racing owners both a financial and a moral incentive to retire horses sound.